



OFFICE OF INSURANCE AND SAFETY FIRE COMMISSIONER

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DIRECTIVE 11-EX-7

TO: ALL HEALTH INSURERS WRITING OR RENEWING COMPREHENSIVE, MAJOR MEDICAL INDIVIDUAL AND SMALL GROUP HEALTH INSURANCE COVERAGES SUBJECT TO ACA IN GEORGIA

FROM: RALPH T. HUDGENS
INSURANCE AND SAFETY FIRE COMMISSIONER

DATE: JULY 13, 2011

RE: NEW REQUIREMENTS FOR FILING AND REVIEW OF INDIVIDUAL OR SMALL GROUP HEALTH RATE INCREASE FILINGS SUBJECT TO ACA RULE 154.200

We believe most health insurers operating in Georgia within the individual or small group health markets are aware of emerging federal requirements under new ACA rules found in 45 CFR Subtitle A, Subchapter B, Part 154 – Health Insurance Issuer Rate Increases: Disclosure and Review Requirements. Upon receipt of this Directive all insurers writing or renewing comprehensive, major medical health insurance coverage in the individual and small group markets shall comply with the new filing requirements effective September 1, 2011.

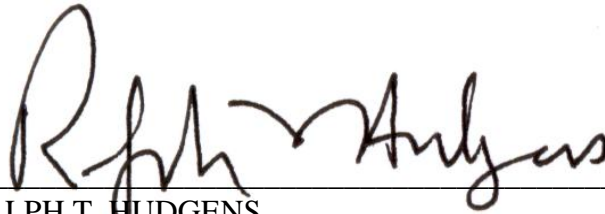
Effective July 1, 2011, this Office has committed to operating an Effective Rate Review Program under these new federal rules. Consistent with this commitment, we will impose new supporting data filing requirements upon health insurers which write and/or renew any comprehensive, major medical health insurance coverage in the individual and small group markets and which propose to implement rate increases in Georgia at or above the 10% increase level that makes those increases subject to review under Federal Rule Section 154.200.

Georgia's new supporting data filing requirements to be imposed are consistent with those within new federal standards under Rule Section 154.301. More specifically, our new requirements will include a review of items required under 154.301 of the federal rule.

This Office will be reviewing this newly required set of supporting data with proposed premium rate increases and will be responding to carriers and communicating with federal authorities regarding our review findings and determinations. We will also be expanding consumer information about proposed, pending health insurance rate increase filings and allowing for consumer input on those filings as a required part of this Office's commitment to conduct an Effective Rate Review Program.

As you may know, the new federal rules have an effective date for filings which begins September 1, 2011 and Georgia will have a concurrent effective date when the new filing requirements will be required. This Office will be issuing Emergency Rulemaking to formalize and detail the explicit and extensive new requirements to be imposed so that carriers and this Office will be prepared to comply before that date. You will receive separate notice of Emergency Rulemaking which will clarify filing details and practical implementation processes in the very near future.

If you have any questions concerning this Directive, contact by mail the Division of Insurance Product Review, Office of Commissioner of Insurance, 916 West Tower, Floyd Building, Two Martin Luther King, Jr. Drive, Atlanta, Georgia 30334, or call (404) 656-2085.

A handwritten signature in black ink, appearing to read "R. T. Hudgens", is written over a horizontal line.

RALPH T. HUDGENS
INSURANCE AND SAFETY FIRE COMMISSIONER
STATE OF GEORGIA